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**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

|  |   |                         |
|--|---|-------------------------|
| In re  | x |                         |
|  | : | Chapter 11              |
|  | : |                         |
| LEHMAN BROTHERS HOLDINGS INC., <i>et al.</i> , | : | Case No. 08-13555 (JMP) |
|  | : |                         |
| Debtors.                                       | : | Jointly Administered    |
|  | x |                         |

**DECLARATION OF David Tom Jesson**

I, David Tom Jesson, pursuant to 28 U.S.C. § 1746, declare under penalty of perjury under the laws of the United States of America that the following is true and correct.

1. I have personal knowledge of each of the facts stated in this Declaration, except for those facts stated on information and belief and, as to those facts, I am informed and believe them to be true. I submit this declaration in support of the objection (the "Objection") to the Debtors' Motion for an Order Pursuant to Section 365 of the Bankruptcy Code Approving the Assumption or Rejection of Open Trade Confirmations (the "Debtors' Motion").

2. I am a Vice President and Documentation Manager authorized to represent and sign for Banc of America Securities Limited ("BancAmerica"), one of the counterparties that filed the Objection.

NY477761.1/445-01023

3. On February 7, 2008, BancAmerica entered into LMA trade confirmations with Lehman Commercial Paper Inc. ("LCPI") to purchase loans made to Yell Group plc (the "BancAmerica Yell Confirmation").

4. On September 2, 2008, BancAmerica entered into LMA trade confirmations with LCPI to purchase certain loans made to NTL Cable plc (the "BancAmerica NTL Confirmations," and together with the BancAmerica Yell Confirmation, the "BancAmerica Confirmations"). Attached as Exhibit D to the Objection are redacted copies of the BancAmerica Confirmations.

5. LCPI indicated, through words and conduct, to BancAmerica that it did not intend to perform its obligations under the BancAmerica Confirmations and to take all necessary action to settle the BancAmerica Confirmations as soon as reasonably practicable. BancAmerica made numerous inquiries by telephone and e-mail to inquire as to the status the BancAmerica Confirmation and to seek assurances that LCPI intended to perform its obligations thereunder. Notwithstanding these multiple inquiries, LCPI refused to confirm with BancAmerica that it intended to settle these trades but instead stated to BancAmerica that it would no longer be processing open trades because it lacked authority to do so. This was the case even though LCPI had not yet filed its petition for relief under the Bankruptcy Code.

6. Following weeks of LCPI's failure to provide BancAmerica with any assurances that LCPI intended to settle the BancAmerica Confirmations, BancAmerica delivered letters to LCPI dated October 1, 2008 and October 3, 2008 (collectively, the "BancAmerica Termination Letters") in which BancAmerica confirmed its willingness to settle the trade and provided LCPI with a time certain to complete the trades. BancAmerica did not receive any response to these letters and BancAmerica terminated the BancAmerica Confirmations prior to the commencement of LCPI's bankruptcy proceeding. Attached as Exhibit F to the Objection are redacted copies of each of the BancAmerica Termination Letters.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on November 26 2008, at the offices of Bank of America, 5 Canada Square,  
London E14 5AQ.

A handwritten signature in dark ink, appearing to read "D. Tom Jesson", written over a horizontal line.

David Tom Jesson  
Vice President  
Authorized to represent and sign for;  
Banc of America Securities Limited